

Company No: 2754740

FINAGRA (UK) LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 1995



WILDER COE
Chartered Accountants
233-237 Old Marylebone Road,
London. NW1 5QT

FINAGRA (UK) LIMITED

OFFICERS AND APPOINTEES

DIRECTORS

L. D. Aitken
B. Law
G. P. Black

SECRETARY

L. D. Aitken

REGISTERED OFFICE

Europe House,
World Trade Centre,
London.
E1 9AA.

AUDITORS

Wilder Coe
Chartered Accountants
233-237 Old Marylebone Road,
London.
NW1 5QT

FINAGRA (UK) LIMITED

INDEX TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1995

PAGES

1-2	Report of the directors
3	Auditors' report
4	Profit and loss account
5	Balance sheet
6	Cash flow statement
7	Notes to the financial statements

FINAGRA (UK) LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the year ended 30 September 1995.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company's principal activity during the year was that of commodity merchants and traders.

The directors expect the performance of the company to improve next year. There are no significant developments anticipated in the coming year.

DIVIDEND AND TRANSFER TO RESERVES

The directors do not recommend payment of a dividend.

The loss transferred to reserves was £339,433.

FIXED ASSETS

Full disclosure of all matters relating to fixed assets is set out in the notes to the financial statements.

DIRECTORS AND THEIR INTERESTS

The directors of the company during the year together with their interests in the share capital of the ultimate parent company, were as follows:-

	Class of share	Number of shares	
		1995	1994
L. D. Aitken	Ordinary shares of £1 each	-	-
B. Law	Ordinary shares of £1 each	-	-
G. P. Black	Ordinary shares of £1 each	-	-

The directors' interests in or contracts with the company during the year are referred to in Note 21 to the financial statements.

INSURANCE

The company maintains insurance to cover directors' liabilities arising from the performance of their duties as permitted by Section 3 of the Companies Act 1985.

FINAGRA (UK) LIMITED

REPORT OF THE DIRECTORS (Continued)

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. In preparing those financial statements, the directors are required to:

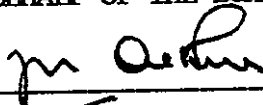
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

Wilder Coe have indicated their willingness to continue to act as auditors of the company and a resolution proposing their re-appointment will be put before the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD



L. D. Aitken
SECRETARY

Date: 26/2/96

Europe House,
World Trade Centre,
London.
E1 9AA.

FINAGRA (UK) LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF FINAGRA (UK) LIMITED

We have audited the financial statements on pages 4 to 14 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of the directors and auditors

As described in the Directors' Report the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September 1995 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Date: 26 February 1996

233-237 Old Marylebone Road,
London.
NW1 5QT



WILDER COE
Chartered Accountants
Registered Auditors

FINAGRA (UK) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 1995

	Notes	1995 £	1994 £
TURNOVER	2	9,221,267	11,654,036
Cost of sales		(9,156,888)	(11,263,978)
GROSS PROFIT		64,379	390,058
Administrative expenses		(406,159)	(382,989)
Other operating income		63,183	-
OPERATING LOSS	3	(278,597)	7,069
Income from investments	4	67,140	55,698
Interest payable	5	(249,900)	(132,068)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(461,357)	(69,301)
Tax on loss on ordinary activities	7	121,924	21,668
LOSS FOR THE FINANCIAL YEAR	15	(339,433)	(47,633)

Turnover and operating loss derive from continuing operations.

The company has no recognised gains or losses other than those dealt with in the profit and loss account.

The notes on pages 7 to 14 form part of these financial statements.

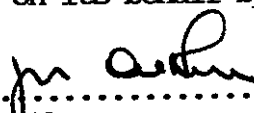
FINAGRA (UK) LIMITED

BALANCE SHEET AT 30 SEPTEMBER 1995

	Notes	1995 £	1994 £
FIXED ASSETS			
Tangible assets	9	18,178	4,524
CURRENT ASSETS			
Stocks	10	1,536,600	500,875
Debtors	11	1,228,822	2,618,605
Cash at bank and in hand		22,230	7,622
		<u>2,787,652</u>	<u>3,127,102</u>
CREDITORS: Amounts falling due within one year	12	<u>(1,845,522)</u>	<u>(2,419,776)</u>
NET CURRENT ASSETS		<u>942,130</u>	<u>707,326</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		960,308	711,850
PROVISIONS FOR LIABILITIES AND CHARGES	13	<u>-</u>	<u>(12,109)</u>
		<u>960,308</u>	<u>699,741</u>
CAPITAL AND RESERVES INCLUDING NON-EQUITY INTERESTS			
Called up share capital	14	1,100,000	500,000
Profit and loss account	15	<u>(139,692)</u>	<u>199,741</u>
	16	<u>960,308</u>	<u>699,741</u>

The financial statements were approved by the Board
on ...26/2/96.....

Signed on its behalf by

.....  Director
L. D. Aitken

The notes on pages 7 to 14 form part of these financial statements.

FINAGRA (UK) LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 1995

	Notes	1995 £	1994 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	17	852,968	(1,989,970)
Return on investments and servicing of finance:			
Interest received		67,140	55,698
Interest paid		(249,900)	(132,068)
Dividends paid		-	(42,750)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(182,760)	(119,120)
Taxation:			
Corporation tax paid		(122,226)	-
TAX PAID		(122,226)	-
Investing activities:			
Purchase of tangible fixed assets		(21,833)	(4,469)
Receipts from sale of tangible assets		999	-
NET CASHFLOW FROM INVESTING ACTIVITIES		(20,834)	(4,469)
NET CASH INFLOW BEFORE FINANCING		527,148	(2,113,559)
Financing:			
Receipts from issue of ordinary shares		600,000	-
NET CASH INFLOW FROM FINANCING		600,000	-
INCREASE IN CASH AND CASH EQUIVALENTS	18	1,127,148	(2,113,559)

The notes on pages 7 to 14 form part of these financial statements

FINAGRA (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1995

1. ACCOUNTING POLICIES

1.1 BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

1.2 DEPRECIATION

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life, using the following bases and rates:-

Office equipment	25% Straight line
------------------	-------------------

1.3 STOCKS AND COCOA TRADING

Stocks represent physical positions in cocoa or warrants of entitlement and are stated in the balance sheet at the lower of cost and net realisable value.

Stock positions and open forward and futures contracts are revalued at market prices which reflect trading conditions prevailing at the year end. The net profit or loss arising from this revaluation forms part of the trading results for the year and is included in the balance sheet under debtors or creditors as appropriate.

1.4 DEFERRED TAXATION

Deferred taxation is provided for using the liability method on all timing differences which are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing difference will reverse.

1.5 FOREIGN EXCHANGE

Assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the rates ruling at the date of the transactions. Exchange gains or losses are taken to the profit and loss account.

FTNAGRA (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1995

2. TURNOVER

Turnover represents the value of physical cocoa sales made during the year, net of value added tax.

The company carried out one class of business, being that of commodity merchants and traders.

	1995 £	1994 £
Geographical market		
United Kingdom	4,970,265	3,841,942
Europe (excluding U.K.)	2,304,666	5,481,647
Rest of World	1,946,336	2,330,447
	<u>9,221,267</u>	<u>11,654,036</u>

3. OPERATING LOSS

The operating loss is stated after charging:-

	1995 £	1994 £
Depreciation	7,116	2,363
Auditors' remuneration	10,000	9,000
Loss on foreign currencies	30,010	(36,685)
	<u>47,126</u>	<u>14,678</u>

4. INCOME FROM INVESTMENTS

	1995 £	1994 £
Other interest receivable	31,752	24,683
Income from group undertaking	35,388	31,015
	<u>67,140</u>	<u>55,698</u>

5. INTEREST PAYABLE

	1995 £	1994 £
On bank loans and overdrafts and on loans repayable in full within five years	249,254	132,068
On overdue tax	646	-
	<u>249,900</u>	<u>132,068</u>

FINAGRA (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1995

6.	DIRECTORS AND EMPLOYEES	1995 £	1994 £
	Staff costs:-		
	Wages and salaries	138,287	151,747
	Social security costs	15,236	9,347
	Other costs	-	3,125
		<u>153,523</u>	<u>164,219</u>
	The average weekly number of employees during the year was made up as follows:	Number	Number
	Office and management	<u>3</u>	<u>5</u>
		£	£
	Directors' emoluments:-		
	Remuneration for management services	76,250	67,040
	Compensation for loss of office	-	3,125
		<u>76,250</u>	<u>70,165</u>
	The division of directors' emoluments, excluding pension contributions, is as follows:-		
	Highest paid director	<u>45,000</u>	<u>45,173</u>
	Other directors' remuneration fell within the following ranges:	Number	Number
	£Nil - £5,000	1	1
	£10,001 - £15,000	-	2
	£30,001 - £35,000	<u>1</u>	<u>-</u>
7.	TAX ON LOSS ON ORDINARY ACTIVITIES	1995 £	1994 £
	The taxation credit based on the loss before tax comprises:-		
	U.K. corporation tax at 0% (1994 - 33%)	-	109,815
	Transfer from deferred taxation (see note 13)	(12,109)	(131,483)
		<u>(12,109)</u>	<u>(21,668)</u>
	Adjustment in respect of prior years	(109,815)	-
		<u>(121,924)</u>	<u>(21,668)</u>

FINAGRA (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1995

8. DIVIDENDS

No preference dividend has been declared this year. The dividend arrears on the 9% redeemable cumulative preference shares are therefore £85,500.

9. TANGIBLE ASSETS

	Office equipment £
COST	
At 1 October 1994	7,693
Additions	21,833
Disposals	(1,063)
	<hr/>
At 30 September 1995	28,463
	<hr/>
DEPRECIATION	
At 1 October 1994	3,169
Charge for year	7,116
	<hr/>
At 30 September 1995	10,285
	<hr/>
NET BOOK VALUE	
At 30 September 1995	18,178
	<hr/>
NET BOOK VALUE	
At 30 September 1994	4,524
	<hr/>

10. STOCKS

	1995 £	1994 £
Cocoa stocks held	1,536,600	500,875
	<hr/>	<hr/>

11. DEBTORS

	1995 £	1994 £
Trade debtors	40,293	361,714
Amounts owed by group undertakings	168,995	1,732,738
Unrealised forward profits	599,937	5,679
Other debtors	39,098	336,594
Advanced corporation tax	12,411	12,411
Corporation tax recoverable	109,815	-
Prepayments and accrued income	258,273	169,469
	<hr/>	<hr/>
	1,228,822	2,618,605
	<hr/>	<hr/>

FINAGRA (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1995

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	1995 £	1994 £
Bank loans (Secured - see below)	867,318	1,979,858
Trade creditors	456,338	31,833
Amounts owed to group undertakings	-	207,089
Corporation tax	-	122,226
Taxes and social security costs	4,727	4,618
Amounts due to brokers	359,113	-
Other creditors	4,492	-
Accruals and deferred income	153,534	74,152
	<u>1,845,522</u>	<u>2,419,776</u>

The bank loans are charged upon Bills of Lading, warehouse warrants and goods in warehouses.

13. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred tax is calculated at 33% (1994 - 33%) analysed over the following timing differences:-

	Fully Provided	
	1995 £	1994 £
On unrealised trading profits	-	12,109

Movements on the provision for deferred taxation are:-

	£
At 1 October 1994	12,109
Transferred to profit and loss account	(12,109)
At 30 September 1995	-

FINAGRA (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1995

14. SHARE CAPITAL	1995 £	1994 £
Authorised		
300,000 Ordinary shares of £1 each	300,000	25,000
800,000 Preference shares of £1 each	800,000	475,000
	<u>1,100,000</u>	<u>500,000</u>
Allotted, called up and fully paid		
300,000 Ordinary shares of £1 each	300,000	25,000
800,000 Preference shares of £1 each	800,000	475,000
	<u>1,100,000</u>	<u>500,000</u>

All Preference shares are 9% Redeemable Cumulative.

During the year the company issued 275,000 Ordinary shares of £1 each and 325,000 Preference shares of £1 each.

The preference shares are partly or fully redeemable, at the company's option, on 31 December 1998. No premium on redemption is payable.

15. PROFIT AND LOSS ACCOUNT	1995 £	1994 £
Retained profits at 1 October 1994	199,741	247,374
Loss for the financial year	(339,433)	(47,633)
Accumulated losses at 30 September 1995	<u>(139,692)</u>	<u>199,741</u>

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	1995 £	1994 £
LOSS FOR THE FINANCIAL YEAR	(339,433)	(47,633)
New share capital subscribed	600,000	-
NET ADDITION TO SHAREHOLDERS' FUNDS	<u>260,567</u>	<u>(47,633)</u>
Shareholders' funds at 1 October 1994	699,741	747,374
SHAREHOLDERS' FUNDS AT 30 SEPTEMBER 1995	<u>960,308</u>	<u>699,741</u>

FINAGRA (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1995

MADE UP AS SET OUT BELOW

Equity shareholders funds	160,308	224,741
Non equity shareholders funds	800,000	475,000
	<u>960,308</u>	<u>699,741</u>

17. RECONCILIATION OF OPERATING LOSS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	1995 £	1994 £
Operating loss	(278,597)	7,069
Depreciation	7,116	2,363
Loss on disposal of fixed assets	64	-
Increase in stocks	(1,035,725)	279,845
Decrease in debtors	1,499,598	(1,762,551)
Increase in creditors due within one year	660,512	(516,696)
	<u>852,968</u>	<u>(1,989,970)</u>

18. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS

	1995 £	1994 £
Cash at bank and in hand at 1 October 1994	7,622	141,323
Cash at bank and in hand at 30 September 1995	<u>22,230</u>	<u>7,622</u>
Net movement	<u>14,608</u>	<u>(133,701)</u>
Bank loans at 1 October 1994	(1,979,858)	-
Bank loans at 30 September 1995	<u>(867,318)</u>	<u>(1,979,858)</u>
Net movement	<u>1,112,540</u>	<u>(1,979,858)</u>
Total net movements	<u>1,127,148</u>	<u>(2,113,559)</u>

FINAGRA (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1995

19. ANALYSIS OF CHANGES IN FINANCE IN YEAR

	1995 £	1994 £
Share capital at beginning of year	500,000	500,000
Shares issued for cash	600,000	-
Share capital at end of year	<u>1,100,000</u>	<u>500,000</u>

20. CONTINGENT LIABILITIES

Finagra (UK) Limited has guaranteed the indebtedness of Finagra US Inc. (a fellow group company) to Brown Brothers Harriman & Co. At the balance sheet date the indebtedness amounted to £973,021. No liability to Finagra (UK) Limited is expected to arise.

21. TRANSACTIONS WITH DIRECTORS

During the year services totalling £62,453 were recharged from First Coffee Services Limited to Finagra (U.K.) Limited. L. D. Aitken was interested by way of being a director of this company during the year. L. D. Aitken ceased to be a director of First Coffee Services Ltd on 9 October 1995.

22. ULTIMATE PARENT UNDERTAKING

The ultimate parent company is Fin Agra Limited, a company incorporated in Guernsey.